

MICHIGAN DEPARTMENT OF STATE POLICE**Disaster and Emergency Contingency Fund
FY2018 Annual Accounting of Expenditures**

Pursuant to Section 18(1) of the Emergency Management Act, 1976 PA 390, MCL 30.418, the Michigan Department of State Police is required to provide an annual accounting of expenditures from the Disaster and Emergency Contingency Fund to the Legislature.

Revenue

Beginning Balance (10/1/2018) \$ 4,579,235.48

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|--|------------------------|
| Prior Year Encumbrance Revenue Carried Forward | \$ 75,576.82 |
| Common Cash Earnings | \$ 93,660.10 |
| Refund of PY Expenditures | \$ 3,655.56 |
| Warehouse Reimb. (DOL) | \$ 13,845.15 |
| Civil Service Assessment | \$ (973.00) |
| GF/GP Deposit | \$ 9,500,000.00 |
| Subtotal: Revenue | \$ 9,685,764.63 |

Total: Available DECF Resources \$ 14,265,000.11

Expenditures

Flint Water Contamination Emergency \$ 21,789.49

Warehouse Management, Supplies, etc. \$ 21,789.49

Costs related to the management of the warehouse used to store water resources for distribution throughout the city via the Community Points of Distribution (CPODs). State distribution via the CPODs ceased in September 2018.

Mid-Michigan Flooding (June 2017) \$ 130,540.64

Section 19 - Assistance to Local Units of Government \$ 125,315.00

Assistance under Sec. 19 of the Emergency Management Act (MCL 30.419) to municipalities affected by the disaster. These costs were originally established as an FY2017 payable, but ultimately paid in BFY2018.

Match for Federal Assistance \$ 5,225.64

Match payment for federal "other needs assistance" payable to eligible individuals. There is a 25% state match requirement.

Lower Peninsula Flooding (February 2018) \$ 1,934,913.43

Section 19 - Assistance to Local Units of Government

Assistance under Sec. 19 of the Emergency Management Act (MCL 30.419) to municipalities affected by the disaster. \$ 1,934,913.43

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Upper Peninsula Flooding (June 2018) **\$ 258,353.89**

State Emergency Operations Center Expenses

\$ 33,730.47

Costs to reimburse the MSP Special Operations Division for aviation services provided to assistance with conducting damage assessments.

Section 18 - Assistance to State Agencies

Costs to reimburse the Michigan National Guard for response activities. **\$ 224,623.42**

Houghton County Flooding (July 2018) **\$ 600,000.00**

Section 19 - Assistance to Local Units of Government

\$ 600,000.00

Assistance under Sec. 19 of the Emergency Management Act (MCL 30.419) to municipalities affected by the disaster.

Kalamazoo County Water Contamination Emergency (July 2018) **\$ 804,790.75**

Section 19 - Assistance to Local Units of Government

\$ 804,790.75

Assistance under Sec. 19 of the Emergency Management Act (MCL 30.419) to municipalities affected by the emergency.

Upper/Lower Peninsula Flooding (Spring 2013) **\$ 1,155.37**

Match for Federal Assistance

\$ 1,155.37

Match for federal Public Assistance provided to municipalities affected by the widespread floods in the Spring 2013 (DR-4121).

Other Expenditures **\$ 800.00**

Costs paid to the Department of Treasury as investment fees related investment of the DECF, assessed per annual boilerplate in the Department of Treasury budget.

Total DECF Expenditures **\$ 3,752,343.57**

Lapse to the General Fund **\$ (512,656.54)**

Per Sec. 18 of the Emergency Management Act (MCL 30.418), the fund is capped at \$10.0 million. This lapse is taken as reduction in the General Fund deposit (Appn #T39700).

Year-End Balance **\$ 10,000,000.00**

MICHIGAN DEPARTMENT OF STATE POLICE**Disaster and Emergency Contingency Fund
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The act provides that the DECF may be expended to pay the necessary and reasonable overtime, travel, and subsistence expenses incurred by state employees acting in a disaster- or emergency-related operation, and for other needs required for the mitigation of the effects of, or in response to, a disaster or emergency. The DECF may also be used to pay the state's matching share of grants provided under the federal Stafford Act.

Section 19 - Assistance to Local Units of Government

The act provides that, upon the declaration of a state of disaster or a state of emergency by the governor, the governor may authorize an expenditure from the DECF to provide assistance to counties and municipalities when federal assistance is not available. Assistance is limited to public damage and direct loss as a result of the disaster or emergency, expenses incurred by the local unit for reimbursing employees for disaster- or emergency-related activities performed outside of their normal duties, and other needs required to mitigate the effects of, or in response to, the disaster or emergency. Assistance is capped at \$250,000 - \$1,000,000 per local unit (depending on their decennial census), or 10% of the local unit's total annual operating budget for the prior fiscal year, whichever is less. Eligibility criteria is spelled out in administrative rules (R 30.51 et seq.)

MICHIGAN DEPARTMENT OF STATE POLICE**Disaster and Emergency Contingency Fund
FY2018 Annual Accounting of Expenditures****Declared Disasters and Emergencies****Flint Water Contamination Emergency**

Contamination of the City of Flint's drinking water. Governor Snyder issued an emergency declaration on January 5, 2016, with the legislature extending the emergency declaration with SCR23 and SCR28. President Obama issued an emergency declaration on January 16, 2016, which provided water, filters, replacement cartridges, and testing kits.

Mid-Michigan Flooding (June 2017)

Severe storms and widespread flooding affected Midland, Isabella, Bay, and Gladwin Counties. On June 23, 2017, Lt. Governor Calley issued a disaster declaration for Midland and Isabella Counties. Governor Snyder added Bay and Gladwin counties to the declaration on June 28, 2017. Governor Snyder also opened up the DECF for affected communities on July 25, 2017. Additionally, Governor Snyder requested a federal declaration on July 21, 2017, for Individual Assistance (IA) in the affected communities and for statewide Hazard Mitigation funds. The request did not include a request for "public assistance" to affected local governments, as the damages did not meet applicable thresholds. On August 2, 2017, President Trump declared a major disaster (DR-4326), and made Individual Assistance available to affected individuals and households in Bay, Gladwin, Isabella, and Midland counties, as well as the Saginaw Chippewa Tribe in Isabella County. The declaration also provides assistance under the federal Hazard Mitigation Grant Program (HMGP) to undertake hazard mitigation measures statewide. There is a 25% cost share requirement for individual "other needs assistance" (ONA) and the HMGP program. The state pays the IA/ONA match, while the local unit (typically) receiving HMGP funds is responsible for their match.

Lower Peninsula Flooding (February 2018)

Heavy rainfall and snowmelt in occurring between February 19-21, 2018, resulted in widespread flooding damage. On March 12, 2018, Governor Snyder declared a disaster for 17 Lower Peninsula counties and two cities. These included Allegan, Arenac, Barry, Berrien, Cass, Clare, Eaton, Ingham, Ionia, Kalamazoo, Kent, Mecosta, Newaygo, Ogemaw, Oscoda, Ottawa, and St. Joseph counties and the cities of Grand Rapids and Lansing. Concurrently, the governor opened up the DECF to provide assistance to affected municipalities. On March 30, 2018, the U.S. Small Business Administration (SBA) approved the governor's request for a disaster declaration across several counties, allowing the SBA to make low-interest disaster loans for uninsured losses incurred by homeowners, renters, businesses, and nonprofit organizations to repair or replace real estate, personal property, machinery or equipment, inventory, and other business assets damaged or destroyed.

MICHIGAN DEPARTMENT OF STATE POLICE**Disaster and Emergency Contingency Fund
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Heavy rainfall across the western Upper Peninsula and northwestern Wisconsin resulted in widespread flooding damage. On June 17, 2018, the State Emergency Operations Center (SEOC) was activated to monitor and coordinate response efforts. Governor Snyder issued a disaster declaration on June 18, 2018, for Houghton and Menominee counties. Numerous roads were washed out and impassable, with nearly 60 sinkholes reported. The governor called in the National Guard to assist with road repairs. About 70 soldiers from the 107th Engineer Battalion (Ishpeming) and the 507th Engineer Battalion (Kalamazoo) were activated. On June 21, 2018, the disaster declaration was amended to include Gogebic County. Wisconsin Governor Scott Walker also issued a state of emergency for 5 counties in northwestern Wisconsin due to the same storm. Teams of local, state, and federal officials conducted damage assessments between June 26-29, 2018, estimating local damages of more than \$29.8 million. On July 9, 2018, Lt. Gov. Calley requested a presidential disaster declaration, requesting both public assistance and individual assistance. On August 2, 2018, President Trump declared a major disaster (DR-4381), making federal Public Assistance funds available, with a 25% non-federal cost share requirement. The request for individual assistance was denied by FEMA on August 6, 2018, and appealed by the governor on August 14, 2018. The appeal was denied on September 5, 2018. On September 7, 2018, the U.S. Small Business Administration (SBA) approved the governor's request for a disaster declaration across the affected counties as well as neighboring Baraga, Iron, Keweenaw, and Ontonagon counties, allowing the SBA to make low-interest disaster loans for uninsured losses incurred by homeowners, renters, businesses, and nonprofit organizations to repair or replace real estate, personal property, machinery or equipment, inventory, and other business assets damaged or destroyed. Funding for the non-federal match for local projects is supported from the DECF, payable starting in FY2019 as projects are completed. The legislature, subsequently, provided an additional \$7.5 million GF/GP for deposit into the DECF in FY2019 via 2018 PA 618 (SB601) to support these costs.

Houghton County Flooding (July 2018)

Heavy rains in July 2018 caused additional flooding in Houghton County, washing out several roads and causing widespread damage to homes and infrastructure. Governor Snyder issued a disaster declaration on July 25, 2018, and announced that the DECF would be eligible to provide assistance to eligible municipalities affected by the flooding.

MICHIGAN DEPARTMENT OF STATE POLICE**Disaster and Emergency Contingency Fund
FY2018 Annual Accounting of Expenditures****Declared Disasters and Emergencies (cont.)****Kalamazoo County Water Contamination Emergency (July 2018)**

On July 26, 2018, after high levels of polyfluoroalkyl substances (PFAS) were found in the public water system, residents in the City of Parchment and Cooper Township were advised to stop using the water for drinking, cooking, making baby formula and food, and rinsing fruits and vegetables. Testing by the Michigan Department of Environmental Quality indicated that PFAS levels were 1,140 parts-per-trillion (ppt), twenty times the U.S. EPA health advisory of 70-ppt. The SEOC was activated, with Governor Snyder directing the MDEQ, MDHHS, MSP, as well as the Michigan PFAS Action Response Team (MPART) to assist the communities and residents. Kalamazoo County issued a local declaration of emergency on July 27, 2018, with Lt. Governor Brian Calley issuing a state declaration of emergency on July 29, 2018, fully activating the SEOC. In response, bottled water was provided to affected individuals and the municipal water system was flushed and connected to the City of Kalamazoo's water system.

Upper/Lower Peninsula Flooding (Spring 2013)

Widespread flooding spanning 16 counties in the upper and lower peninsulas occurring in April and May 2013. The affected included Allegan, Barry, Gogebic, Houghton, Ionia, Kent, Keweenaw, Marquette, Midland, Muskegon, Newaygo, Ontonagon, Osceola, Ottawa, and Saginaw Counties. Governor Snyder declared a state of disaster on May 7, 2018, with a presidential declaration issued in June 2018, making federal Public Assistance available to affected communities, with a 25% non-federal match requirement. The legislature approved an FY2014 supplemental bill (2014 PA 34) appropriating \$2.3 million to provide one-half of the non-federal match required to affected local units of government.